

STATE OF MARYLAND

MARYLAND DEPARTMENT OF THE ENVIRONMENT

Shari T. Wilson, Secretary

BILL NO: House Bill 36

COMMITTEE: Environmental Matters

POSITION: Oppose

TITLE: Environment - Bay Restoration Fund – Payments to Contractors

BILL ANALYSIS:

This Bill would require the Comptroller or local governments to disburse moneys awarded to upgrade septic systems through the Bay Restoration Fund directly to the contractor that incurs the cost eligible for reimbursement.

POSITION AND RATIONALE:

MDE opposes HB 36 since the Department's recently adopted septic program payment procedures reimburse vendors and contractors directly for septic installations completed under the BRF program. The Department will require the Counties to do the same under local programs being performed under new grant agreements.

The Department has revised procedures such that vendors are directly reimbursed from the Department for eligible costs for upgrading septic systems through the Bay Restoration Fund. The following procedure is now followed:

- The property agrees to allow direct payment to the vendor;
- A grant is awarded to the property owner;
- The property owner enters into a contract with the vendor of their choice;
- The completion of the upgrade is verified by the property owner and the approving authority; and
- Reimbursement is sent to the vendor.

The Department's program distinguishes between the twelve vendors who are marketing nitrogen removal upgrades and the larger contractor community who are installing the upgrades on behalf of the vendors. Under the Department's program, vendors are held responsible for ensuring appropriate installation, operation and maintenance of the system.

The funds for the Bay Restoration Fund are maintained and administered by the Department of the Environment as the Department is the paying agent; however the Comptroller actually issues the check.

FOR MORE INFORMATION,
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